

# FINANCIAL SECTION



## “Harvesting”

Spencer, Indiana, Post Office

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# STATE OF INDIANA

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## INDEPENDENT AUDITORS' REPORT

TO: The Honorable Frank O'Bannon  
The Members of the General Assembly, and  
The Citizens of the State of Indiana

We have audited the accompanying general purpose financial statements of the State of Indiana as of and for the year ended June 30, 2001. These general purpose financial statements are the responsibility of the State of Indiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain component units of the State, as discussed in Note I(A), which statements reflect total assets and revenues of \$6,095.2 million and \$1,160.4 million respectively, as of and for the year ended June 30, 2001. The financial statements of these component units were audited by other auditors whose reports thereon have been furnished to us and our opinion, insofar as it relates to those units, is based solely upon the reports of the other auditors. These reports represent 22% of special revenue fund assets, 100% of debt service fund assets, 12.2% of capital projects fund assets, 94.4% of enterprise fund assets, 87.6% of internal service fund assets and 100% of proprietary and governmental discretely presented component unit assets.

We conducted our audit in accordance with general accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Indiana as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note III (I) to the financial statements, the State of Indiana has restated certain beginning fund balances and retained earnings. The Housing Finance Authority, a discretely presented component unit, reports on a December 31, 2000 year end.

The required supplementary information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the State of Indiana. The combining and individual fund financial statements, account groups and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information, and not the information in the Introductory and Statistical sections, has been subjected to auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the fund types and account groups included in the general purpose financial statements taken as a whole. We express no opinion on the information in the Introductory or Statistical Sections.

December 20, 2001

*State Board of Accounts*  
STATE BOARD OF ACCOUNTS



**State of Indiana  
Combined Balance Sheet  
All Fund Types, Account Groups, and Component Units  
June 30, 2001**  
(amounts expressed in thousands)

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>Assets and other debits:</b>						
<b>Assets:</b>						
Cash, cash equivalents and investments - restricted	\$ -	\$ -	\$ -	\$ -	\$ 114,790	\$ 25,520
Cash, cash equivalents and investments - unrestricted	1,351,606	2,877,127	14,651	622,231	206,820	209,196
Securities lending collateral	1,324,527	973,020	-	375,671	-	934
Receivables:						
Taxes (net of allowance for uncollectible accounts)	1,043,312	392,840	-	1,601	-	-
Accounts	10,104	22,898	-	-	20,178	7,565
Grants	3,819	48,960	-	225	-	-
Notes	-	-	-	-	-	-
Interest	5,332	25,722	34	797	707	499
Contributions	-	-	-	-	-	-
Member loans	-	-	-	-	-	-
Interfund	7,331	16,096	-	21,385	-	-
Due from other funds	-	-	3,450	-	-	7,121
From investment sales	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Advances to other funds	2,408	64,475	-	-	-	300
Intergovernmental loans	7,466	490,294	-	5,985	-	-
Student loans	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
Inventory	-	-	-	-	3,945	9,252
Prepaid expenses/expenditures	1,877	2,765	-	-	759	1,202
Food stamp inventory	-	105,860	-	-	-	-
Construction in progress	-	-	-	-	34,694	201,271
Bond issue costs - net of amortization	-	-	-	-	1,885	10,202
Property, plant and equipment, net	-	-	-	-	217,315	567,989
Other assets	-	-	-	-	11,273	-
<b>Other debits:</b>						
Amount available for debt service fund	-	-	-	-	-	-
Amount to provided for retirement of long term debt	-	-	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 3,757,782</b>	<b>\$ 5,020,057</b>	<b>\$ 18,135</b>	<b>\$ 1,027,895</b>	<b>\$ 612,366</b>	<b>\$ 1,041,051</b>
<b>Liabilities, equity and other credits:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 89,054	\$ 319,187	\$ 3,066	\$ 6,938	\$ 21,729	\$ 7,895
Accrued interest payable	-	-	2,245	-	5,179	42,460
Salaries and benefits payable	43,564	38,080	-	-	3,706	1,228
Capital lease payable	-	-	-	-	-	66
Pension / health / disability benefits payable	-	-	-	-	-	35,406
Interfund payables	-	7,331	-	8,596	28,885	-
Due to component unit	-	639,787	-	-	7,500	78
Due to other funds	3,305	7,256	-	5	-	5
Tax refunds payable	35,194	2,805	-	-	-	-
Deferred revenue	416,906	295,185	-	161	3,700	4,656
Accrued prize liability	-	-	-	-	35,189	-
Accrued liability for compensated absences	3,069	2,715	-	-	-	85
Intergovernmental payable	43,087	730,300	-	-	-	-
Escheated property liability	-	-	-	-	-	-
Investment purchases payable	-	-	-	-	-	-
Other liabilities	-	-	-	-	1,419	256
Securities lending collateral	1,324,527	973,020	-	375,671	-	934
Obligations under reverse repurchase agreements	-	-	-	-	-	-
Long term liabilities:						
Construction retention	-	-	-	-	-	6,198
Accrued liability for compensated absences	-	-	-	-	245	1,695
Net Pension Obligations	-	-	-	-	-	-
Capital lease payable	-	-	-	-	-	74
Accrued prize liability	-	-	-	-	44,290	-
Advances from other funds	-	66,383	-	-	300	500
Revenue bonds / notes payable	-	-	-	-	234,584	842,516
<b>Total liabilities</b>	<b>1,958,706</b>	<b>3,082,049</b>	<b>5,311</b>	<b>391,371</b>	<b>386,726</b>	<b>944,052</b>
<b>Equity and other credits:</b>						
Investment in general fixed assets / plant	-	-	-	-	-	-
Contributed Capital	-	-	-	-	9,353	20,349
Retained earnings:						
Reserved (see note III. G.)	-	-	-	-	189,565	25,980
Unreserved	-	-	-	-	26,722	50,670
Fund balances:						
Reserved (see note III. G.)	354,453	1,619,860	12,824	19,409	-	-
Unreserved:						
Allocated	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
Designated for appropriations	240,414	319,825	-	384,219	-	-
Designated for allotments	693,150	754,047	-	107,834	-	-
Undesignated	511,059	(755,724)	-	125,062	-	-
<b>Total equity and other credits</b>	<b>1,799,076</b>	<b>1,938,008</b>	<b>12,824</b>	<b>636,524</b>	<b>225,640</b>	<b>96,999</b>
<b>Total liabilities, equity and other credits</b>	<b>\$ 3,757,782</b>	<b>\$ 5,020,057</b>	<b>\$ 18,135</b>	<b>\$ 1,027,895</b>	<b>\$ 612,366</b>	<b>\$ 1,041,051</b>

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Types	Account Groups			Totals Primary Government	Component Units				Totals Reporting Entity
	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	Governmental	Proprietary	Pension Trust	Colleges and Universities	(Memorandum Only)
\$ -	\$ -	\$ -	\$ 140,310	\$ 24,666	\$ 289,224	\$ -	\$ -	\$ -	\$ 454,200
3,215,556	-	-	8,497,187	4,853	363,414	15,965,754	2,359,267	-	27,190,475
458,971	-	-	3,133,123	-	321,063	1,981,094	116,294	-	5,551,574
16,006	-	-	1,453,759	-	-	-	-	-	1,453,759
50	-	-	60,795	-	-	-	166,457	-	227,252
1,024	-	-	54,028	-	-	-	-	-	54,028
-	-	-	-	5,309	-	-	-	-	5,309
1,137	-	-	34,228	-	44,357	98,265	13,840	-	190,690
173	-	-	173	-	-	142,276	-	-	142,449
8,803	-	-	8,803	-	-	-	-	-	8,803
-	-	-	44,812	-	-	-	-	-	44,812
-	-	-	10,571	-	-	-	-	-	10,571
-	-	-	-	-	-	221,447	-	-	221,447
-	-	-	-	281	-	-	43,087	-	43,368
-	-	-	-	-	638,853	8,512	-	-	647,365
-	-	-	-	-	-	10,962	-	-	10,962
-	-	-	67,183	-	-	-	-	-	67,183
326,578	-	-	830,323	-	659,757	-	-	-	1,490,080
-	-	-	-	-	188,064	-	126,298	-	314,362
-	-	-	-	-	791,725	-	-	-	791,725
-	-	-	13,197	-	-	-	30,269	-	43,466
-	-	-	6,603	-	-	-	22,319	-	28,922
-	-	-	105,860	-	-	-	-	-	105,860
-	-	-	235,965	-	-	-	46,626	-	282,591
-	-	-	12,087	-	21,240	-	-	-	33,327
-	1,672,821	-	2,458,125	-	533	59	3,250,391	-	5,709,108
-	-	-	11,273	-	3,469	-	21,839	-	36,581
-	-	12,824	12,824	-	-	-	-	-	12,824
-	-	1,048,928	1,048,928	-	-	-	-	-	1,048,928
<b>\$ 4,028,298</b>	<b>\$ 1,672,821</b>	<b>\$ 1,061,752</b>	<b>\$ 18,240,157</b>	<b>\$ 35,109</b>	<b>\$ 3,321,699</b>	<b>\$ 18,428,369</b>	<b>\$ 6,196,687</b>	<b>\$ 46,222,021</b>	
\$ 431,110	\$ -	\$ -	\$ 878,979	\$ 62	\$ 3,223	\$ 8,223	\$ 125,376	\$ -	\$ 1,015,863
-	-	-	49,884	-	30,325	-	-	-	80,209
-	-	-	86,578	-	-	8,610	26,863	-	122,051
-	-	-	66	-	-	-	33,300	-	33,366
-	-	-	35,406	-	-	-	-	-	35,406
-	-	-	44,812	-	-	-	-	-	44,812
-	-	-	647,365	-	-	10,962	-	-	658,327
-	-	-	10,571	-	-	-	-	-	10,571
-	-	-	37,999	-	-	-	-	-	37,999
-	-	-	720,608	-	-	-	81,760	-	802,368
-	-	-	35,189	-	-	-	-	-	35,189
-	-	-	5,869	-	-	-	72,874	-	78,743
312,361	-	-	1,085,748	-	-	-	-	-	1,085,748
8,364	-	-	8,364	-	-	-	-	-	8,364
-	-	-	-	-	-	544,952	-	-	544,952
544	-	-	2,219	4,765	753	-	160,341	-	168,078
458,971	-	-	3,133,123	-	321,063	1,981,094	116,294	-	5,551,574
-	-	-	-	-	-	-	46,344	-	46,344
-	-	-	6,198	-	-	-	-	-	6,198
-	-	113,995	115,935	-	-	-	-	-	115,935
-	-	578	578	-	-	-	-	-	578
-	-	7,511	7,585	-	-	-	-	-	7,585
-	-	-	44,290	-	-	-	-	-	44,290
-	-	-	67,183	-	-	-	-	-	67,183
-	-	939,668	2,016,768	-	2,463,839	-	1,235,648	-	5,716,255
1,211,350	-	1,061,752	9,041,317	4,827	2,819,203	2,553,841	1,898,800	-	16,317,988
-	1,672,821	-	1,672,821	-	-	-	2,091,537	-	3,764,358
-	-	-	29,702	-	-	-	-	-	29,702
-	-	-	215,545	-	-	-	422,750	-	638,295
-	-	-	77,392	-	502,496	-	-	-	579,888
634,497	-	-	2,641,043	5,948	-	15,874,528	-	-	18,521,519
-	-	-	-	-	-	-	995,286	-	995,286
-	-	-	-	-	-	-	788,314	-	788,314
2,445	-	-	946,903	-	-	-	-	-	946,903
2,147,374	-	-	3,702,405	-	-	-	-	-	3,702,405
32,632	-	-	(86,971)	24,334	-	-	-	-	(62,637)
2,816,948	1,672,821	-	9,198,840	30,282	502,496	15,874,528	4,297,887	-	29,904,033
<b>\$ 4,028,298</b>	<b>\$ 1,672,821</b>	<b>\$ 1,061,752</b>	<b>\$ 18,240,157</b>	<b>\$ 35,109</b>	<b>\$ 3,321,699</b>	<b>\$ 18,428,369</b>	<b>\$ 6,196,687</b>	<b>\$ 46,222,021</b>	

**State of Indiana**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types, Expendable Trust Funds, and Similar Discretely**  
**Presented Component Units**  
**For the Fiscal Year Ended June 30, 2001**  
(amounts expressed in thousands)

	Governmental Fund Types				Fiduciary	Totals	Component	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Primary Government (Memorandum Only)	Units Governmental	Reporting Entity (Memorandum Only)
<b>Revenues:</b>								
Taxes:								
Income	\$ 5,500,612	\$ 81,635	\$ -	\$ -	\$ -	\$ 5,582,247	\$ -	\$ 5,582,247
Sales	2,138,971	1,528,532	-	-	-	3,667,503	-	3,667,503
Fuels	-	768,957	-	-	-	768,957	-	768,957
Gaming	122,201	352,508	-	-	-	474,709	-	474,709
Unemployment	-	-	-	-	238,826	238,826	-	238,826
Inheritance	170,995	-	-	-	-	170,995	-	170,995
Alcohol & tobacco	72,110	88,004	-	14,940	-	175,054	-	175,054
Insurance	149,143	2,009	-	-	-	151,152	-	151,152
Financial institutions	-	49,245	-	-	-	49,245	-	49,245
Other	4,252	118,475	-	-	-	122,727	-	122,727
Total taxes	8,158,284	2,989,365	-	14,940	238,826	11,401,415	-	11,401,415
Licenses, permits and franchises	30,810	393,797	-	-	-	424,607	-	424,607
Current service charges	193,437	419,350	-	112	-	612,899	206	613,105
Investment income	296,168	145,834	1,327	54,476	83,958	581,763	2,629	584,392
Sales/rents	741	69,019	-	-	-	69,760	17	69,777
Member contributions	-	-	-	-	56,118	56,118	-	56,118
Grants	18,935	5,287,202	-	11,135	13,456	5,330,728	-	5,330,728
Donations/escheats	-	1,901	-	-	29,991	31,892	-	31,892
Other	7,071	272,155	-	1,268	-	280,494	-	280,494
Total revenues	8,705,446	9,578,623	1,327	81,931	422,349	18,789,676	2,852	18,792,528
<b>Expenditures:</b>								
Current:								
General government	1,952,388	2,099,935	-	-	1,287	4,053,610	-	4,053,610
Public safety	610,933	486,543	-	-	-	1,097,476	-	1,097,476
Health	132,887	175,644	-	-	-	308,531	-	308,531
Welfare	387,646	5,227,815	-	-	4,625	5,620,086	-	5,620,086
Conservation, culture and development	76,405	409,969	-	-	458,245	944,619	22,684	967,303
Education	5,471,491	605,405	-	-	-	6,076,896	-	6,076,896
Transportation	3,734	1,407,973	-	-	-	1,411,707	-	1,411,707
Member withdrawals	-	-	-	-	22,035	22,035	-	22,035
Capital outlays	-	-	-	129,934	-	129,934	-	129,934
Loss on reimbursement agreement	-	-	-	-	-	-	4,031	4,031
Debt service	-	-	63,709	-	-	63,709	-	63,709
Total expenditures	8,635,484	10,413,284	63,709	129,934	486,192	19,728,603	26,715	19,755,318
Excess (deficiency) of revenues over (under) expenditures	69,962	(834,661)	(62,382)	(48,003)	(63,843)	(938,927)	(23,863)	(962,790)
<b>Other financing sources (uses):</b>								
Bond proceeds	-	312	-	240,577	-	240,889	-	240,889
Operating transfers in	2,102,277	4,816,655	63,166	368,363	1,440	7,351,901	-	7,351,901
Operating transfers (out)	(3,254,432)	(3,583,741)	-	(408,550)	(39,640)	(7,286,363)	-	(7,286,363)
Operating transfers in -- from primary government	-	-	-	-	-	-	23,374	23,374
Operating transfers in -- from component unit	-	-	-	-	2,328	2,328	-	2,328
Operating transfers (out) -- to component unit	(7,169)	-	-	(16,205)	-	(23,374)	-	(23,374)
Proceeds from capital leases	155	4,662	-	-	-	4,817	-	4,817
Total other financing sources (uses)	(1,159,169)	1,237,888	63,166	184,185	(35,872)	290,198	23,374	313,572
Excess of revenues and other financing sources over (under) expenditures and other uses	(1,089,207)	403,227	784	136,182	(99,715)	(648,729)	(489)	(649,218)
Fund balances, July 1, as restated	2,888,283	1,534,781	12,040	500,342	2,122,464	7,057,910	30,771	7,088,681
Fund balances, June 30	\$ 1,799,076	\$ 1,938,008	\$ 12,824	\$ 636,524	\$ 2,022,749	\$ 6,409,181	\$ 30,282	\$ 6,439,463

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**General Fund**  
**For the Year Ended June 30, 2001**  
(amounts expressed in thousands)

	<b>Budget</b>		<b>Actual</b>	<b>Variance to Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Income	\$ 5,271,000	\$ 5,271,000	\$ 5,553,425	\$ 282,425
Sales	2,231,800	2,231,800	2,130,404	(101,396)
Gaming	-	-	122,201	122,201
Inheritance	136,700	136,700	163,674	26,974
Alcohol and tobacco	65,700	65,700	67,076	1,376
Insurance	150,000	150,000	147,895	(2,105)
Other	8	8	4,252	4,244
Total taxes	7,855,208	7,855,208	8,188,927	333,719
Licenses	20,460	20,460	30,810	10,350
Current service charges	133,934	133,934	183,333	49,399
Investment income	170,000	170,000	186,038	16,038
Sales	-	-	900	900
Grants	67,900	67,900	15,201	(52,699)
Other	2,700	2,700	7,071	4,371
Total revenues	8,250,202	8,250,202	8,612,280	362,078
<b>Expenditures:</b>				
General government	1,915,486	2,118,415	1,833,802	284,613
Public safety	617,189	673,239	597,776	75,463
Health	122,445	144,947	133,469	11,478
Welfare	442,332	426,661	388,911	37,750
Conservation, culture and development	102,872	158,645	76,236	82,409
Education	5,437,240	5,489,022	5,469,041	19,981
Transportation	1,163	13,255	4,499	8,756
Total expenditures	8,638,727	9,024,184	8,503,734	520,450
Excess of revenues over (under) expenditures	(388,525)	(773,982)	108,546	882,528
<b>Other financing sources (uses):</b>				
Total other financing sources (uses)	(1,222,948)	(1,222,948)	(1,159,324)	63,624
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>				
	<u>\$ (1,611,473)</u>	<u>\$ (1,996,930)</u>	<u>\$ (1,050,778)</u>	<u>\$ 946,152</u>
<b>Fund balances July 1, as restated</b>			<u>2,426,460</u>	
<b>Fund balances June 30</b>			<u><b>\$ 1,375,682</b></u>	

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**Special Revenue Fund Types**  
**For the Year Ended June 30, 2001**  
(amounts expressed in thousands)

	<u>Budget</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes:				
Income	\$ 140,275	\$ 140,275	\$ 76,540	\$ (63,735)
Sales	1,500,597	1,500,597	1,517,979	17,382
Fuels	739,749	739,749	771,028	31,279
Gaming	330,424	330,424	351,771	21,347
Alcohol and tobacco	12,454	12,454	45,270	32,816
Insurance	5,168	5,168	2,009	(3,159)
Financial institutions	141,039	141,039	54,895	(86,144)
Other	34,305	34,305	118,310	84,005
Total taxes	<u>2,904,011</u>	<u>2,904,011</u>	<u>2,937,802</u>	<u>33,791</u>
Licenses	386,833	386,833	392,356	5,523
Current service charges	492,868	492,868	412,471	(80,397)
Investment income	24,777	24,777	35,988	11,211
Sales	13,245	13,245	11,025	(2,220)
Grants	4,378,950	4,378,950	4,877,542	498,592
Donations	3,750	3,750	1,901	(1,849)
Other	199,039	199,039	259,156	60,117
Total revenues	<u>8,403,473</u>	<u>8,403,473</u>	<u>8,928,241</u>	<u>524,768</u>
<b>Expenditures:</b>				
General government	1,933,131	1,993,533	1,860,853	132,680
Public safety	481,868	520,654	470,481	50,173
Health	173,668	203,146	178,388	24,758
Welfare	5,066,477	5,261,981	5,101,205	160,776
Conservation, culture and development	481,975	489,995	377,829	112,166
Education	584,254	623,222	605,818	17,404
Transportation	1,264,908	1,412,114	1,403,058	9,056
Total expenditures	<u>9,986,281</u>	<u>10,504,645</u>	<u>9,997,632</u>	<u>507,013</u>
Excess of revenues over (under) expenditures	(1,582,808)	(2,101,172)	(1,069,391)	1,031,781
<b>Other financing sources (uses):</b>				
Total other financing sources (uses)	<u>456,322</u>	<u>456,322</u>	<u>1,260,363</u>	<u>804,041</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>\$ (1,126,486)</u>	<u>\$ (1,644,850)</u>	<u>\$ 190,972</u>	<u>\$ 1,835,822</u>
<b>Fund balances July 1, as restated</b>			<u>1,556,636</u>	
<b>Fund balances June 30</b>			<u><b>\$ 1,747,608</b></u>	

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Revenues, Expenses and**  
**Changes in Retained Earnings (or Equity)**  
**All Proprietary Fund Types, Nonexpendable Trust Funds and**  
**Similar Discretely Presented Component Units**  
**For the Fiscal Year Ended June 30, 2001**  
(amounts expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals Primary Government	Component Units	Totals Reporting Entity
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)	Proprietary Fund Types	(Memorandum Only)
<b>Operating revenues:</b>						
Sales/rents/premiums	\$ 573,951	\$ 86,736	\$ -	\$ 660,687	\$ -	\$ 660,687
Toll receipts	82,143	-	-	82,143	-	82,143
Charges for services	-	65,896	-	65,896	-	65,896
Interest on program loans	-	-	6,242	6,242	66,310	72,552
Investment income	-	-	-	-	139,387	139,387
Insurance premiums	-	118,007	-	118,007	-	118,007
Other	699	391	-	1,090	9,647	10,737
Total operating revenues	656,793	271,030	6,242	934,065	215,344	1,149,409
Cost of sales	387,678	18,725	-	406,403	-	406,403
Gross margin	269,115	252,305	6,242	527,662	215,344	743,006
<b>Operating expenses:</b>						
General and administrative expense	64,485	74,547	30,725	169,757	30,122	199,879
Claims expense	2,181	-	-	2,181	-	2,181
Health / disability benefit payments	-	91,313	-	91,313	-	91,313
Death settlements	-	809	-	809	-	809
Medical expense reimbursement	-	692	-	692	-	692
Depreciation and amortization	12,764	20,798	-	33,562	3,513	37,075
Other	251	-	-	251	649	900
Total operating expenses	79,681	188,159	30,725	298,565	34,284	332,849
Operating income (loss)	189,434	64,146	(24,483)	229,097	181,060	410,157
<b>Nonoperating revenues (expenses):</b>						
Interest and other investment income (expense)	(3,552)	(32,903)	4,582	(31,873)	(111,116)	(142,989)
Gain (loss) on disposition of assets	-	38	-	38	-	38
Other	4,480	-	-	4,480	(2,128)	2,352
Total nonoperating revenues (expenses)	928	(32,865)	4,582	(27,355)	(113,244)	(140,599)
Income (loss) before operating transfers	190,362	31,281	(19,901)	201,742	67,816	269,558
Operating transfers in	-	20,674	56,251	76,925	-	76,925
Operating transfers (out)	(125,636)	(16,690)	(137)	(142,463)	-	(142,463)
Operating transfers (out) - to component unit	(30,000)	-	-	(30,000)	-	(30,000)
Operating transfers (out) - to primary government	-	-	-	-	(2,328)	(2,328)
Net operating transfers	(155,636)	3,984	56,114	(95,538)	(2,328)	(97,866)
<b>Net income (loss)</b>	34,726	35,265	36,213	106,204	65,488	171,692
<b>Retained earnings/fund balances, July 1, as restated</b>	181,561	41,385	451,091	674,037	437,008	1,111,045
<b>Retained earnings/fund balances, June 30</b>	<u>\$ 216,287</u>	<u>\$ 76,650</u>	<u>\$ 487,304</u>	<u>\$ 780,241</u>	<u>\$ 502,496</u>	<u>\$ 1,282,737</u>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types, Nonexpendable Trust Funds and**  
**Similar Discretely Presented Component Units**  
**For the Fiscal Year Ended June 30, 2001**  
(amounts expressed in thousands)

	Proprietary Fund Types		Fiduciary Fund Type	Totals		Totals
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government (Memorandum Only)	Component Units Proprietary Fund Types	Reporting Entity (Memorandum Only)
<b>Cash flows from operating activities:</b>						
Operating income (loss)	\$ 189,434	\$ 64,146	\$ (24,483)	\$ 229,097	\$ 181,060	\$ 410,157
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation/amortization expense	12,764	20,798	-	33,562	3,513	37,075
Other provisions	367	(2,994)	-	(2,627)	(4,431)	(7,058)
(Increase) decrease in accounts receivable	(3,635)	1,646	-	(1,989)	-	(1,989)
(Increase) decrease in interest receivable	-	-	9	9	(284)	(275)
(Increase) decrease in intergovernmental loans	-	-	-	-	(52,326)	(52,326)
(Increase) decrease in student loans	-	-	-	-	6,310	6,310
(Increase) decrease in mortgage loans	-	-	-	-	(121,332)	(121,332)
(Increase) decrease in due from other funds	-	131	-	131	-	131
(Increase) decrease in inventory	676	1,596	-	2,272	-	2,272
(Increase) decrease in prepaid expenses	(190)	348	-	158	-	158
(Increase) decrease in other assets	-	-	-	-	(292)	(292)
Increase (decrease) in benefits payable	-	752	-	752	-	752
Increase (decrease) in accounts payable	(64)	(140)	-	(204)	(225)	(429)
Increase (decrease) in accrued interest payable	-	-	-	-	1,185	1,185
Increase (decrease) in deferred revenue	449	(1,708)	-	(1,259)	(5)	(1,264)
Increase (decrease) in salaries payable	983	267	-	1,250	-	1,250
Increase (decrease) in compensated absences	-	150	-	150	-	150
Increase (decrease) in due to other funds	-	(164)	-	(164)	-	(164)
Increase (decrease) in accrued prize liability	(25,703)	-	-	(25,703)	-	(25,703)
Increase (decrease) in compensated absences	(85)	-	-	(85)	-	(85)
Increase (decrease) in other liabilities	155	(255)	-	(100)	(557)	(657)
Net cash provided (used) by operating activities	175,151	84,573	(24,474)	235,250	12,616	247,866
<b>Cash flows from noncapital financing activities:</b>						
Operating transfers in	-	20,674	56,251	76,925	-	76,925
Operating transfers (out)	(159,679)	(16,690)	(137)	(176,506)	(2,328)	(178,834)
Issuance of intergovernmental loans	-	-	(75,313)	(75,313)	-	(75,313)
Proceeds from intergovernmental loans	-	-	18,500	18,500	-	18,500
Interest, debt issue costs	-	-	-	-	(133,058)	(133,058)
Proceeds from issuance of debt	-	-	-	-	809,393	809,393
Principal payments - bonds / notes	-	-	-	-	(666,515)	(666,515)
Net cash provided (used) by noncapital financing activities	(159,679)	3,984	(699)	(156,394)	7,492	(148,902)
<b>Cash flows from capital and related financing activities</b>						
Acquisition/construction of fixed assets	(28,012)	(145,837)	-	(173,849)	-	(173,849)
Proceeds from sale of fixed assets	-	390	-	390	-	390
Proceeds from issuance of long-term debt	-	98,662	-	98,662	-	98,662
Capital contributed	15	-	-	15	-	15
Principal payments -- capital leases	-	(101)	-	(101)	-	(101)
Principal payments -- bonds/notes	(9,992)	(11,382)	-	(21,374)	-	(21,374)
Interest, debt issue costs	(14,733)	(37,086)	-	(51,819)	-	(51,819)
Net cash provided (used) by capital and related financing activities	(52,722)	(95,354)	-	(148,076)	-	(148,076)
<b>Cash flows from investing activities:</b>						
Proceeds from sale of investments	852,073	189,638	315,184	1,356,895	844,709	2,201,604
Purchase of investments	(887,287)	(159,905)	(300,357)	(1,347,549)	(810,929)	(2,158,478)
Interest income on investments	21,019	5,765	4,582	31,366	16,757	48,123
Net cash provided (used) by investing activities	(14,195)	35,498	19,409	40,712	50,537	91,249
<b>Net increase (decrease) in cash and cash equivalents</b>	(51,445)	28,701	(5,764)	(28,508)	70,645	42,137
<b>Cash and cash equivalents, July 1</b>	178,703	64,408	61,665	304,776	146,158	450,934
<b>Cash and cash equivalents, June 30</b>	\$ 127,258	\$ 93,109	\$ 55,901	\$ 276,268	\$ 216,803	\$ 493,071
<b>Reconciliation of cash, cash equivalents and investments:</b>						
Cash and cash equivalents at end of year	\$ 127,258	\$ 93,109	\$ 55,901	\$ 276,268	\$ 216,803	\$ 493,071
Investments	194,352	141,607	104,825	440,784	435,835	876,619
Other funds presented on balance sheet (trust and agency)	-	-	3,054,830	3,054,830	-	3,054,830
<b>Cash, cash equivalents and investments per balance sheet</b>	\$ 321,610	\$ 234,716	\$ 3,215,556	\$ 3,771,882	\$ 652,638	\$ 4,424,520
<b>Noncash investing, capital and financing activities:</b>						
Fixed asset portion of contributed capital	30	-	-	30	-	30

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Changes in Plan Net Assets**  
**Pension Trust Funds**  
**For the Fiscal Year Ended June 30, 2001**  
(amounts expressed in thousands)

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
<b>Additions:</b>			
Member contributions	\$ 2,870	\$ 258,347	\$ 261,217
Employer contributions	12,714	947,873	960,587
Net investment income (loss)	331,358	(175,355)	156,003
Less investment expense	(332,943)	(110,833)	(443,776)
Operating transfers in - from primary government	-	30,000	30,000
Other	190	10,264	10,454
	<u>14,189</u>	<u>960,296</u>	<u>974,485</u>
<b>Total additions</b>			
	14,189	960,296	974,485
<b>Deductions:</b>			
Pension benefits	16,619	945,910	962,529
Administrative	284	16,415	16,699
	<u>16,903</u>	<u>962,325</u>	<u>979,228</u>
<b>Total deductions</b>			
	16,903	962,325	979,228
<b>Net increase (decrease)</b>	(2,714)	(2,029)	(4,743)
<b>Net assets held in trust for pension benefits, July 1, as restated</b>	<u>309,609</u>	<u>15,876,557</u>	<u>16,186,166</u>
<b>Net assets held in trust for pension benefits, June 30</b>	<u><b>\$ 306,895</b></u>	<u><b>\$ 15,874,528</b></u>	<u><b>\$ 16,181,423</b></u>

The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combined Statement of Changes in Fund Balances**  
**Discretely Presented Component Units - Colleges and Universities**  
**For the Fiscal Year Ended June 30, 2001**  
(amounts expressed in thousands)

	<b>Current funds</b>			<b>Loan funds</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total current funds</b>	
<b>Revenue and other additions:</b>				
Current fund revenues	\$ 2,447,513	\$ 3,466	\$ 2,450,979	\$ -
Grants, gifts and contracts	3,992	691,936	695,928	121,269
Appropriations	104,889	93,607	198,496	-
Additions to plant and facilities	20	-	20	-
Retirement of indebtedness	-	-	-	-
Endowment and investment income	6,543	15,055	21,598	2,733
Bond proceeds	-	-	-	-
Sales and services	-	16,201	16,201	174
Auxiliary services	560,357	-	560,357	-
Other additions	618	14,718	15,336	1,025
<b>Total revenues and other additions</b>	<b>3,123,932</b>	<b>834,983</b>	<b>3,958,915</b>	<b>125,201</b>
<b>Expenditures and other deductions:</b>				
Current fund expenditures	2,475,423	102,404	2,577,827	-
Restricted fund expenditures	-	642,372	642,372	-
Indirect costs recovered	-	72,607	72,607	-
Direct student loans issued	-	-	-	117,845
Loan cancellations and administration	-	-	-	3,528
Administration	-	-	-	622
Expended for plant facilities and disposals	-	-	-	-
Bond issues and issuance costs, retirements	-	-	-	-
Debt service requirements	-	-	-	-
Depreciation and amortization	-	-	-	-
Other deductions	1,184	1,851	3,035	(401)
Auxiliary services	355,699	-	355,699	-
<b>Total expenditures and deductions</b>	<b>2,832,306</b>	<b>819,234</b>	<b>3,651,540</b>	<b>121,594</b>
Excess of revenues and other additions over (under) expenditures and other deductions	291,626	15,749	307,375	3,607
<b>Transfers from (to) other funds:</b>				
Mandatory transfers	(136,651)	7,423	(129,228)	38
Non-mandatory transfers	(107,361)	11,864	(95,497)	317
<b>Total transfers from / to other funds</b>	<b>(244,012)</b>	<b>19,287</b>	<b>(224,725)</b>	<b>355</b>
<b>Net increase (decrease) for the year</b>	<b>47,614</b>	<b>35,036</b>	<b>82,650</b>	<b>3,962</b>
<b>Fund balance, July 1, as restated</b>	<b>561,461</b>	<b>147,930</b>	<b>709,391</b>	<b>59,790</b>
<b>Fund balance, June 30</b>	<b>\$ 609,075</b>	<b>\$ 182,966</b>	<b>\$ 792,041</b>	<b>\$ 63,752</b>

The notes to the financial statements are an integral part of this statement.

Endowments and similar funds	Plant funds					Total colleges and universities
	Unexpended	Renewal and replacement	Retirement of indebtedness	Investment in plant	Total plant funds	
\$ -	\$ -	\$ -	\$ 274	\$ -	\$ 274	\$ 2,451,253
10,258	77,215	-	489	1,682	79,386	906,841
-	80,376	4,714	-	-	85,090	283,586
-	6,265	322	-	102,509	109,096	109,116
-	282	-	-	162,384	162,666	162,666
(26,335)	37,954	31,253	5,302	-	74,509	72,505
-	134,532	-	-	-	134,532	134,532
-	-	-	-	-	-	16,375
-	-	-	-	-	-	560,357
928	37,439	3,708	6,292	-	47,439	64,728
(15,149)	374,063	39,997	12,357	266,575	692,992	4,761,959
-	-	-	-	-	-	2,577,827
-	-	-	-	-	-	642,372
-	-	-	-	-	-	72,607
-	-	-	-	-	-	117,845
-	-	-	-	-	-	3,528
2,381	10,987	3,407	3,967	-	18,361	21,364
-	316,311	20,174	-	(228,355)	108,130	108,130
-	60,035	-	46,797	177,241	284,073	284,073
-	1,987	-	85,114	-	87,101	87,101
-	-	-	-	187,477	187,477	187,477
14,148	304	418	784	27,939	29,445	46,227
-	-	-	-	-	-	355,699
16,529	389,624	23,999	136,662	164,302	714,587	4,504,250
(31,678)	(15,561)	15,998	(124,305)	102,273	(21,595)	257,709
-	(2,032)	8,647	122,575	-	129,190	-
(13,660)	88,408	18,840	11,755	(10,163)	108,840	-
(13,660)	86,376	27,487	134,330	(10,163)	238,030	-
(45,338)	70,815	43,485	10,025	92,110	216,435	257,709
839,039	160,200	234,934	37,398	1,999,426	2,431,958	4,040,178
<b>\$ 793,701</b>	<b>\$ 231,015</b>	<b>\$ 278,419</b>	<b>\$ 47,423</b>	<b>\$ 2,091,536</b>	<b>\$ 2,648,393</b>	<b>\$ 4,297,887</b>

**State of Indiana**  
**Combined Statement of Current Fund Revenues, Expenditures and Other Changes**  
**Discretely Presented Component Units - Colleges and Universities**  
**For the Fiscal Year Ended June 30, 2001**

(amounts expressed in thousands)

	<u>Current funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total current funds</u>
<b>Revenues:</b>			
Student tuition and fees	\$ 968,527	\$ 3,466	\$ 971,993
Governmental appropriations	1,209,054	65,359	1,274,413
Federal, state and local grants and contracts	53,861	565,763	619,624
Auxiliary services	515,126	-	515,126
Sales and services	131,056	16,200	147,256
Investment and endowment income	48,268	14,298	62,566
Other gifts and grants	2,330	85,038	87,368
Other revenue	195,070	15,610	210,680
	<u>3,123,292</u>	<u>765,734</u>	<u>3,889,026</u>
<b>Total revenues</b>			
<b>Expenditures and mandatory transfers:</b>			
Educational and General:			
Instruction and departmental research activities	1,176,016	81,378	1,257,394
Research	59,481	270,066	329,547
Academic support	264,481	27,945	292,426
Operation and maintenance of plant	245,615	430	246,045
Student Aid, Scholarships and fellowships	92,432	169,599	262,031
Public service	58,312	184,588	242,900
Student services	113,843	3,309	117,152
Administrative and institutional support	256,266	5,222	261,488
Other expenditures	20,942	1,124	22,066
	<u>2,287,388</u>	<u>743,661</u>	<u>3,031,049</u>
<b>Total educational and general</b>			
Auxiliary enterprises:			
Expenditures	543,731	221	543,952
	<u>543,731</u>	<u>221</u>	<u>543,952</u>
<b>Mandatory transfers</b>			
	136,652	(7,423)	129,229
	<u>136,652</u>	<u>(7,423)</u>	<u>129,229</u>
<b>Total current fund expenditures and mandatory transfers</b>			
	2,967,771	736,459	3,704,230
	<u>2,967,771</u>	<u>736,459</u>	<u>3,704,230</u>
<b>Other transfers and additions (deductions):</b>			
Excess (deficit) of restricted receipts over transfers to revenues	-	(5,609)	(5,609)
Transfers from (to) other funds	(107,907)	11,370	(96,537)
	<u>(107,907)</u>	<u>11,370</u>	<u>(96,537)</u>
<b>Total other transfers and additions (deductions)</b>			
	(107,907)	5,761	(102,146)
	<u>(107,907)</u>	<u>5,761</u>	<u>(102,146)</u>
<b>Increase (decrease) in fund balance</b>	<b>\$ 47,614</b>	<b>\$ 35,036</b>	<b>\$ 82,650</b>
	<u>\$ 47,614</u>	<u>\$ 35,036</u>	<u>\$ 82,650</u>

The notes to the financial statements are an integral part of this statement.